

## Message Text

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PAGE 01 KARACH 00513 211402Z

67

ACTION NEA-09

INFO OCT-01 ISO-00 EB-07 /017 W  
----- 038624

R 211035Z MAR 75  
FM AMCONSUL KARACHI  
TO SECSTATE WASHDC 8733  
INFO AMEMBASSY ISLAMABAD

LIMITED OFFICIAL USE KARACHI 0513

E.O. 11652: N/A  
TAGS: BEXP, PK  
SUBJECT: FINANCING PROBLEMS IN CONNECTION WITH CHEMTEX  
PROPOSAL FOR POLYESTER PLANT

REF: A) KARACHI 0055 B) KARACHI 0418 C) STATE 058102  
D) STATE 060696 E) KARACHI 0514 (NOTAL)

1. IN FURTHER EFFORT OBTAIN FAVORABLE CONSIDERATION FOR CHEMTEX BID ON POLYESTER PLANT, CHEMTEX OFFICIALS ALAN DAVIS AND FRANK TONNIES MET WITH POLYESTER PROJECT TECHNICAL COMMITTEE MARCH 20. TECHNICAL COMMITTEE CONFIRMED THAT MAXIMUM OF \$18 MILLION IN FOREIGN EXCHANGE IS AVAILABLE FROM SAUDI LOAN TO FINANCE POLYESTER PROJECT. COST OF CHEMTEX PROPOSAL UTILIZING DUPONT TECHNOLOGY NOW UP TO \$24 MILLION OWING PRICE INCREASES FOR EQUIPMENT IN U.S. AND THEREFORE, IN ORDER TO BE COMPETITIVE, CHEMTEX MUST ARRANGE CREDIT PACKAGE OF \$6 MILLION FOREIGN EXCHANGE TO COMPLEMENT SAUDI CREDIT.

2. CHEMTEX PLANNING TO SEEK FINANCIAL ASSISTANCE FOR THIS PROJECT FROM COMMERCIAL BANKS AND EXIMBANK IN U.S. IN ADDITION CHEMTEX REPORTEDLY WILLING TO COMMIT APPROXIMATELY \$ ONE MILLION OF OWN FUNDS TO TAKE EQUITY POSITION IN PROJECT.

3. CONGEN KARACHI CONSIDERS POLYESTER PROJECT TO BE VERY IMPORTANT OPPORTUNITY FOR MAJOR SALE OF U.S. EQUIPMENT  
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WHICH COULD AMOUNT TO \$20 MILLION OF \$24 MILLION TOTAL.

WE FURTHER BELIEVE THAT PROJECT DESERVES SPECIAL  
CONSIDERATION AND SUPPORT FROM EXIM OWING TO LARGE  
AMOUNT OF SAUDI LOAN FUNDS WHICH MIGHT BE SWUNG TOWARD  
U.S. PROCUREMENT THROUGH RELATIVELY MODEST EXIM  
CONTRIBUTION TO TOTAL FINANCING PACKAGE.

4. CONGEN GIVING ALL POSSIBLE SUPPORT TO CHEMTEx EFFORT  
THROUGH REPRESENTATIONAL ACTIVITY AND CALLS ON APPROPRIATE  
GOP OFFICIALS.  
TIGER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** buchant0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Original Classification:** LIMITED OFFICIAL USE  
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**Reference:** 75 KARACHI 0055, 75 KARACHI 0418, 75 STATE 058102  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** buchant0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 18 AUG 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <18 AUG 2003 by CunninFX>; APPROVED <03 DEC 2003 by buchant0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FINANCING PROBLEMS IN CONNECTION WITH CHEMTEX PROPOSAL FOR POLYESTER PLANT  
**TAGS:** BEXP, PK  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006